

Value Service
Schenectady Office

September 24, 1962

Mr. R. B. Ames
Medium Transformer Department
ROME, GEORGIA

Dear Bob:

It was very thoughtful of you to write us about the progress and status of Value Control in your plant.

I am sending your letter on to Hal Miller. I know he will be very interested and hopefully will be in Rome one of these times and can examine it first hand.

L. D. Miles
Manager - Value Service

LDM:AEM

CC: H. B. Miller - NYO

Blind note to Bill Bryant:

I note that you have a copy of Bob's letter. To some extent perhaps transformers, motors, turbines are the "old guard." We are making gratifying progress.

LDM/M

DEPT.—LOCATION—DATE

- Medium Transformer Department
Rome, Georgia

COPIES: W. Bryant - New York
D. B. Lawton

September 19, 1962

SUBJECT

Mr. Larry Miles
Value Control
Schenectady

Dear Larry:

We are very pleased with the results to date of our Value Control team which is so enthusiastically attending your school. They are equally enthusiastically doing Value Control work here and have recently completed the first project and turned it over to Engineering.

I am particularly pleased with the 48% of prime cost savings identified particularly because it has been questioned by a great many people up to this period as to whether this magnitude of savings could be identified and obtained on such a product as a transformer. I trust that some people who felt this to be a mere possibility are now becoming converts. Obviously, the implementation and final costs will measure the validity of these proposals.

We are planning the implementation period this week as far as setting our dollar goals and time scheduling is concerned. The cost standard has been set within \$26. of the Value Standard identified by the team. We can visualize timing that will put the product on the market next July. We believe that it can be accomplished earlier if we put special emphasis on the production of prototypes starting immediately. For this purpose, we have acquired a new winding machine with tension devices, edge rollers, and reverse bending equipment in order to manufacture tight rectangular coils. Further planning of line design by units rather than by total line in conjunction with earlier prototypes can conceivably let us put products in the marketplace as early as May. Since implementation is the payoff portion of the program, we are making every effort to obtain the maximum savings in the shortest time possible. I want to assure you that we are backing up our Quality Control team.